

Kritsana Wanitwattanadecha 2014: The Relationship between the Factor of Working Capital Cycle and Accrual Approaches: Evidence from Thailand.
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This thesis aims to investigate the relationship between working capital cycle and accrual approaches of listed companies on the Stock Exchange of Thailand during years 2007 to 2011. We measure the working capital cycle by the effective working capital management, while the earning quality is proxied by the two approaches of total accruals (namely, Balance Sheet Approach and Cash Flow Based Approach). In addition, we include our analysis with another approach, known as Difference in accruals estimated. Obtaining the sample size of 369 listed companies, we estimate with 1,845 observations by using the multiple regression analysis.

The results show the Balance Sheet Approach earnings quality is positively significant to the working capital cycle. This implies that the longer working capital cycle, the higher accruals. Furthermore, our evidence finds that total accruals approach relates positively to profitability and the industries. However, the reverse is true in the relationship with the size of firm.

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Thesis Advisor's signature

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